



# ASX Spotlight

Now in its 5<sup>th</sup> year

## Troy Resources Limited (ASX: TRY)

### Company Description:

Troy Resources Limited, dual-listed on the Australian and Toronto Stock Exchanges (code: TRY), is a dividend-paying profitable junior gold producer with a clear growth strategy. The Company has two producing gold operations; Andorinhas Mine in Para State, Brazil and the Casposo gold and silver mine, in San Juan province, Argentina.

Troy has an experienced Board and Management team with a track record of successful, fast-track mine development and low-cost operations.

Troy has an annual exploration budget in excess of \$15 million and a proven track record in exploration discoveries and strategic acquisitions.

Following the development of the Casposo project in Argentina, Troy has entered a renewed growth phase which will again lift the Company's annual gold production above 100,000 ounces of gold per annum.

The Company is well positioned to continue its path of strong growth and profitable operations, and on track to achieve its vision of becoming a highly profitable mid-tier gold producer with a portfolio of quality long-life assets.

The Company maintains a robust balance sheet and forecasts continued strong cash flow from its current assets. Troy's gold production is unhedged; allowing its shareholders access to the full benefit of current and future gold price upside.

Troy is a responsible corporate citizen, committed to the best practice of health and safety, environmental stewardship and social responsibility.

The Company has forged a proven record of fast-track mine development, low cost operations, strategic acquisitions and exploration discoveries.

[Click here to access the company's 2011 Annual Report](#)

### Operations:

December 2011 gold production 39% higher at 33,329oz and cash cost 36% lower than the September quarter at US\$373/oz net of silver credits. Argentina, Casposo

- Gold production 20,701 at a cash cost of US\$270/oz net of silver credits

Brazil, Andorinhas

- The operation has achieved 799 days without a lost time injury
- Gold production 12,625oz and unit cash costs to US\$542/oz

Gold production for the rolling 12 months 51,648oz

### Recent Developments:

- Paid A\$40 million to shareholders through 12 fully franked cash dividends over the last 12 years
- Increased contained gold equivalent in Casposo Resource by 20% in 2011
- Doubling exploration budget to A\$15M in FY2012
- Strong balance sheet

## Resources / Reserves Estimates:

RESOURCE AND RESERVE SUMMARY			
Category	Tonnes	Grade	Ounces
<b>Gold Mineral Reserves</b>			
Proved	95,000	2.5	7,500
Probable	2,306,000	5.9	437,200
<b>TOTAL</b>	<b>2,401,000</b>	<b>5.8</b>	<b>444,700</b>
<b>Silver Mineral Reserves</b>			
Probable	1,804,000	176.7	10,241,200
<b>TOTAL</b>	<b>1,804,000</b>	<b>176.7</b>	<b>10,241,200</b>
<b>Gold Mineral Resources</b>			
Measured	191,000	4.6	28,100
Indicated	5,451,000	4.4	771,700
Inferred	14,241,000	1.7	779,600
<b>Silver Mineral Resources</b>			
Measured	96,000	769.9	2,376,400
Indicated	2,301,000	227.6	16,839,500
Inferred	920,000	152.3	4,503,700
<b>Gold Equivalent Mineral Reserves</b>			
Proved	95,000	2.5	7,500
Probable	2,306,000	7.7	571,000
<b>TOTAL</b>	<b>2,401,000</b>	<b>7.5</b>	<b>578,500</b>
<b>Gold Equivalent Mineral Resources</b>			
Measured	191,000	10.1	62,100
Indicated	5,451,000	5.6	990,000
Inferred	14,241,000	1.8	840,800

NB: Gold equivalency at Casposo for Mineral Resources and Mineral Reserves has been calculated by the formula  $Au_{Eq} = Au_{gt} + (Ag_{gt} \div 70)$ . The gold:silver ratio of 70 has been determined using metal prices of US\$1,200/oz for gold and US\$20/oz for silver and processing recoveries of 93.7% for gold and 80.6% for silver.

Geological information in this Report has been compiled by Troy's Vice President Exploration & Business Development, Peter Doyle, who:

- Is a full time employee of Troy Resources Limited
- Has sufficient experience which is relevant to the type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'
- Is a Member of the Australasian Institute of Mining and Metallurgy
- Has consented in writing to the inclusion of this data

Information of a scientific or technical nature in this report was prepared under the supervision of Peter J. Doyle, Vice President Exploration and Business Development of Troy, a "qualified person" under National Instrument 43-101 – "Standards of Disclosure for Mineral Projects", a member of the Australasian Institute of Mining and Metallurgy. Mr. Doyle has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as a "competent person" as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Doyle has reviewed and approved the information contained in this report. For further information regarding the Company's projects in Brazil, Australia and Argentina, including a description of Troy's quality assurance program, quality control measures, the geology, samples collection and testing procedures in respect of the Company's projects please refer to the technical reports filed which are available under the Company's profile at [www.sedar.com](http://www.sedar.com) or on the company's website.

This news release contains "forward-looking statements" and "forward-looking information", based on assumptions and judgements of management regarding future events and results. Such "forward-looking statements" and "forward-looking information" which may include, but are not limited to statements with respect to the expected development of the Casposo and Two Mile Hill projects. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "is expecting", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes", or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might", or "will" be taken, occur or be achieved. The purpose of forward-looking information is to provide the reader with information about management's expectations and plans. Readers are cautioned that forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Troy and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such factors include, among others, future prices of gold and silver, the actual results of current production, development and/or exploration activities, changes in project parameters as plans continue to be refined, variations in ore grade or recovery rates, plant and/or equipment failure, delays in obtaining governmental approvals or in the commencement of operations, the possibility of cost overruns, as well as those factors disclosed in the Company's filed documents. There can be no assurance that the projects will proceed as planned or that they will be successfully completed within expected time limits and budgets or that, when completed, the mines will operate as anticipated or that expected production levels will be achieved.

## Future Outlook:

We are currently undertaking metallurgical test work on the new Kamila South East Extension ores to determine if any additions or modifications are required to the processing facility to treat the very high grade silver ores. Once this is complete the results will be incorporated in a new production schedule, Ore Reserve and NI 43-101 report. At this stage we expect to release the new Reserve and production schedule early in the June quarter.

Planning is well advanced for the accelerated commencement of the Casposo underground mine. The requisite geotechnical holes and mine planning have been completed and negotiations with the preferred mining contactor Redpath (Chile) are also well advanced. The underground development is expected to commence in the June quarter which would allow access to the high-grade underground ore early next calendar year.

## Presentation by:



**Paul Benson**

### Chief Executive Officer

Paul Benson is the Chief Executive Officer of Troy Resources Limited and has over 25 years experience in the mining industry. Prior to joining Troy in October 2007, Paul spent the previous 7 years with BHP Billiton, based in Chile from 2004, where his most recent role was Chief Development Officer for BHP Billiton Base Metals and a member of the BHP Billiton Base Metals Executive Committee. Before that Paul worked with Rio Tinto and RGC.

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**TROY RESOURCES LIMITED**

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